

**MARYLAND JOINT INSURANCE ASSOCIATION  
INFORMATION DIGEST FOR HOMEOWNERS INSURANCE**

**DESCRIPTIONS OF COVERAGE**

The following are not intended as complete statements of coverage; for full details, see the policy contract.

**ELIGIBILITY**

Eligibility for a Homeowners or Tenants Policy including optional coverages is dependant on the Association's underwriting requirements. In addition, you must occupy a 1, 2, 3 or 4 family dwelling and use it exclusively for residential purposes (incidental occupancies excepted). Not more than one additional family or two (2) roomers or boarders may occupy an individual family unit (does not apply to tenants). Property situated on a premises used for farming purposes is ineligible.

**COVERAGES**

Our policy form, along with important coverage options, has been designed to provide insurance protection with the following basic coverages:

<b>Fire</b>	<b>Volcanic Eruption</b>
<b>Lightning</b>	* <b>Falling Objects</b>
<b>Windstorm</b>	* <b>Weight of Ice, Snow or Sleet</b>
<b>Hail</b>	* <b>Freezing</b>
<b>Explosion</b>	* <b>Accidental Discharge or overflow</b>
<b>Riot or</b>	<b>of water or steam from within</b>
<b>Civil Commotion</b>	<b>plumbing, heating or air</b>
<b>Smoke</b>	<b>conditioning systems</b>
<b>Vandalism or</b>	* <b>Sudden and Accidental Tearing Apart,</b>
<b>Malicious Mischief</b>	<b>Cracking, Burning, or Bulging</b>
<b>Aircraft</b>	<b>of a steam or hot water heating system,</b>
<b>Damage by Vehicles</b>	<b>an air condition or an appliance for</b>
<b>Loss of Use</b>	<b>heating hot water</b>
<b>Personal Liability with</b>	* <b>Sudden and Accidental Damage from</b>
<b>damage to property</b>	<b>Artificially Generated Electric Current</b>
<b>of others</b>	* <b>Collapse of Buildings and Ordinance of Law</b>
<b>Theft (Limited under HO-8 to \$1,000)</b>	

\* Not available with Form HO-8

A \$500 deductible applies to most property losses, but increased deductibles and exclusions may apply.

**THE ASSOCIATION DOES NOT PROVIDE COVERAGE FOR DAMAGE BY FLOOD**

**HOMEOWNERS (HO-2 & HO-8) FORMS:**

Additional amounts of insurance for other structures, personal property and loss of use are provided based on the dwelling amount percentages shown below.

**CONTENTS (HO-4) AND CONDOMINIUM OWNER'S (HO-6) FORMS:**

You select the amount of insurance to be placed on your personal property. An additional amount of insurance is provided for loss of use based upon the Personal Property amount percentage below. Condominium owners may also select additional coverage for dwelling coverage.

<b>Amount of Insurance</b>	<b>HO-2 Broad form</b>	<b>HO-8</b>	<b>HO-4 Tenants Form</b>	<b>HO-6 Condominium owners Form</b>
<b>Dwelling</b>	You select this amount	You select this amount	N/A	\$5,000- may be increased
<b>Other Structures</b>	10% of Dwelling	10% of Dwelling		
<b>Personal Property</b>	50% of Dwelling	50% of Dwelling	You select this amount	You select this amount
<b>Loss of Use</b>	30% of Dwelling	10% of Dwelling	30% of personal Property	50% of Personal Property
<b>Personal Liability</b>	\$100,000	\$100,000	\$100,000	\$100,000
<b>Medical Payments to Others</b>	\$1,000	\$1,000	\$1,000	\$1,000

\* based on 1 or 2 Family dwelling.

## **ARE YOU GOING TO BE ADEQUATELY INSURED?**

The Association provides Dwelling coverage based on replacement cost (guaranteed replacement cost coverage is not offered)

HO-2 (Broad Form) coverage should be at least 80% of your dwellings replacement or functional replacement cost to be sure that partial dwelling losses are paid on a replacement cost basis. Otherwise you risk having your settlement reduced as a penalty due to your being under insured.

## **HOW CAN I REDUCE THE COST?**

### **Alarm Systems:**

Credits are available for burglar alarms, sprinkler systems or fire alarms-including smoke detectors.

### **Higher Deductibles**

Higher deductibles are available which will reduce the costs.

## **OPTIONAL COVERAGES**

Please review the Association's **Statement of Additional Optional Coverages Not Included in the Standard Homeowner Insurance Policy** provided with your application, or visit our web page, [www.mdjia.org](http://www.mdjia.org).

### **Water Backup and Sump Discharge**

This optional coverage provides coverage up to \$5,000 for damage caused by water which backs up through sewers or drains or which overflows from a sump. Your policy deductible applies. Higher limits are available for additional premium.

### **Increased Personal Liability**

Liability Limits of \$200,000 and \$300,000 are available for an additional premium.

### **Loss Assessment:**

Increased Loss Assessment coverage is available under Form HO-6

### **Flood Insurance**

Do you live on a hillside, in a valley, near a body of water or on level land?

You may need flood insurance no matter where you live. Homeowners policies do not provide coverage for flood, mudslide, erosion, surface runoff or similar occurrences. Property owners in eligible areas may obtain coverage through the National Flood Insurance Program. Contact your Producer for more information.

### **OUR POLICY DOES NOT COVER LOSS BY FLOOD**

### **Some Policy Limitations Apply:**

**Loss by theft of all jewelry and furs** taken in one occurrence is limited to \$1,500. (\$1,000 under form HO-8).

#### **Limitations on loss to other property:**

\$200	Money, Coin Collections and some precious metals.
\$1,000	Credit Card, Fund Transfer Card, Forgery and counterfeit Money
\$1,500	Electronic apparatus (such as mobile telephones), which may be operated from a vehicle, as well as other power sources.
\$1,500	Securities, Manuscripts, Stamp Collection, Trailers and Watercraft including their furnishings, equipment and outboard motors.
\$2,500	Theft of Firearms and related Equipment. (\$1,000 on form HO-8)
\$2,500	Theft of Silverware, Gold ware, Platinum ware and Pewter ware. (\$1,000 on form HO-8)
\$2,500	certain on premises Business Property with \$500 applicable to off premises. (\$1,000 on form HO-8 on premises)

There is no theft coverage away from home for (1) watercraft, including furnishings equipment and outboard motors and (2) trailers including boat trailers

Liability, theft and physical damage coverages are limited or excluded for many motorized vehicles such as midget automobiles, golf mobiles, snowmobiles and mopeds.

There is no coverage for C.B. radios, radios or tape players, including their accessories and tapes if the equipment is designed solely for use in a motor vehicle and is in or upon the vehicle.

**NOTE: The MDJIA policies are issued for one year only and do not automatically renew. To continue coverage past the expiration date, you or your producer must reapply and pay the required premium prior to the expiration of the existing policy.**

If you have questions, please contact your Producer or MDJIA Customer Service.